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Who Pays Under Wilson? Who'd Pay Under Cox?

"Not I," said the Cavalier; "with my political spear, I shielded my own profiteer when the collector drew near; not I paid the tax."

The South was in the saddle, booted and spurred to ride over the North with the tax charges, and make the North pay three-fourths of the cost of the war. The South took over the training camps, sold most of the land to the Government, diverted transportation to Southern ports and improved Southern harbors to accommodate this increased transportation, and saw that cotton was again king. And the South did this by making the North pay the taxes to secure the revenues to be expended in the South.

ALL READY TO SQUEEZE THE NORTH

From March 4, 1913, to May 19, 1919, when the Republican Sixty-sixth Congress met the South was in complete control of the Federal Government. The President was a native of Virginia, six members of his cabinet were Southern men by residence or birth, and Southern men controlled both Senate and House of Representatives. Southern men controlled all important committees of the House save those on Pensions; and Southern men controlled every committee of the Senate save those on Pensions and Military Affairs, and President Wilson suggested that Chairman Chamberlain of the Military Affairs Committee, who hailed from Oregon, was not entirely loyal to the Administration.

Southern men were in the majority in the Democratic caucuses of the House and Senate, and made up the majority of the Democratic majority of each committee. Southern men named Southern men for chairmen. Southern men shaped the legislation, and North Carolina furnished the chairmen of the committees in both House and Senate that controlled and reported the tax bills that were enacted into law.

When the income tax amendment to the Constitution was advocated by Southern men, Senator Depew inquired of them why they were so insistent on changing one of the fundamental parts of the Constitution, they frankly replied that the change would enable a Democratic Congress to make New York pay one-half the cost of the Federal Government and Massachusetts, Pennsylvania, Ohio, and Illinois pay the other half.

CLAUDE KITCHEN'S TAX PLAN

Representative Kitchen of North Carolina, chairman of the Committee on Ways and Means, assured the Democratic caucus in

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1918, that the tax bill reported from that committee would assess the taxes on the country north of the old Mason and Dixon line; and Senator Williams of Mississippi, said he favored the income tax because it would not be collected in his State.

The biggest tax collection ever made in the United States has been finished for the fiscal year ending June 30, 1920, and notwithstanding the war was over six months before this fiscal year began, the tax collections were nearly two billion dollars greater than for the year 1919, or $5,410,284,874.90, as against $3,839,950,612.05 for the year before, which saw the end of the great World War. The Commissioner of Internal Revenue gives the totals by States and it is comparatively easy to discover who carried the five billion burden, and who did not.

The tax averaged about $50 for each man, woman and child in the United States; but it was not distributed thus. In the States North of the Potomac and Ohio Rivers and East of the Missouri River, the average tax was $80 a person, and in the States South of the Potomac and Ohio Rivers, the average tax was about $20.

HALF THE PEOPLE PAY FOUR-FIFTHS THE TAXES

New England, with a population of 7,500,000 people, paid to Uncle Sam last year $543,843,646.28; New York, New Jersey, Pennsylvania, Delaware and Maryland, with a population of 24,000,000, paid $2,246,876,055.36; and Ohio, Indiana, Illinois, Michigan and Wisconsin, with a population of 20,000,000, paid $1,264,833,388.02. These sixteen States with 54,000,000 people or one-half of the total population of the United States, paid $4,055,553,090.66, or nearly four-fifths of the total taxes collected by the Federal Government last year. The thirteen States South of the Potomac, including Oklahoma and Texas, with a population of 25,000,000, or one-fourth of the whole, paid $571,815,646.14, or little more than one-tenth of the total, and one-seventh of the amount collected in the sixteen Northern States.

Chairman Kitchen was a good guesser when he told the Democratic caucus three years ago, that the taxes assessed by his bill would not be largely collected in the South. No other part of the country paid so small a per capita tax as did the South last year. The States West of the Mississippi River, including the mountain States and the Pacific States, with a population of less than 20,000,000, paid $692,568,103.96, or a per capita tax of about $35, while the Southern States paid less than $20 per capita.

NINE-TENTHS PAID BY NORTH AND WEST

The North and West that did not make the tax bill, paid nine-tenths of the tax, and the South that did make the bill, paid one-tenth of the tax. The South needs only 107 more electoral votes to elect another President and Democratic Congress—needs only 107 to add to the votes of that section that did not pay the tax, and the Democrats are asking some of the States most heavily taxed by

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the South to help out in that good work of making permanent this system of getting money from the North to spend in the South.

The per capita tax in New York was six times the per capita tax in the South, and yet the South politely asks New York to hand over her 45 electoral votes to continue this outrageously unfair taxation.

Ohio paid a per capita tax of $75 or nearly four times that of the South, but the South politely requests Ohio to continue to pay the tax for the South in exchange for Southern electoral votes for Governor Cox—on condition of course that the Governor shall take orders from the South when there is a revision of the tax laws.

Illinois paid five times the per capita tax of the South, but Illinois is requested to continue the present agreeable arrangement and enable the South to reap the harvest of another Democratic administration.

THE NORTH'S TERRIFIC LOAD

The Fathers provided that "representatives and direct taxes shall be apportioned among the several States, according to respective numbers"; but the 16th amendment provided that "Congress shall have power to lay and collect taxes on incomes from whatever source derived without apportionment among the several States and without respect to any census or enumeration." This amendment became effective at the beginning of the Wilson administration in 1913; and the Democratic Congress began to apply that power just as Southern Democrats had promised to apply it, and make the industrial States of the North furnish the revenues to support the Federal Government.

After the declaration of war with Germany, the Democratic Congress adjusted the profits tax and other war taxes, all with the same purpose in view, to make the North pay the war bills, and President Wilson has delayed the peace treaty to continue his war power for nearly two years after he told Congress "thus the war has come to an end"; and the North was compelled to pay $2,000,000,000 more war taxes in the fiscal year of 1920 than it had to pay in the fiscal year 1919, six months of which were after the close of the war.

The tax collected in the last fiscal year on incomes and profits amounted to $3,944,555,737.93, or $100,000,000 more than the entire revenues of the Government for the fiscal year 1919, and $1,500,000,000 more than the collections from income and profits taxes in 1919. The South paid $364,000,000 or one-eleventh of the income and profits taxes last year and the North and West paid $3,580,000,000, or ten-elevenths.

It required genius in taxation to realize the promise which Chairman Kitchen made three years ago, that the South should not be hurt by the war taxes, but the report of the Commissioner

of Internal Revenue shows that he kept his word. One Southern Senator two years ago made his campaign for reelection on the record that he had got ten dollars for his State from the Government to every dollar paid in taxes from his State to the Government. He was reelected on that record, and many other Southern Senators and Representatives can make the same appeal to their constituents, for during the war and since, there is not a Southern State that has not received more Government money than it has paid in taxes.

HUNDREDS OF MILLIONS FOR THE WASTE PLACES

The Democratic Secretary of War located military camps in the South to give the Northern soldiers the benefit of a "salubrious climate" in the summer of 1917. He spent tens of millions to build nitrate plants in the South—to make powder without getting a supply of powder—and the Southern Democrats are now asking Congress for $100,000,000 more for the production of fertilizer for Southern cotton plantations. He spent other millions to build military roads in the South and leave them as a free gift to the Southern States, thus saving them from local as well as federal taxation. The Southern Secretary of the Navy spent tens of millions to improve certain Southern harbors for naval emergency, without ever shipping troops, munitions, or supplies from those parts.

The Democratic Railroad Administration diverted freight from Northern terminals to Southern terminals on the promise of shortening the haul from the great West to the seaboard, and increased the haul and the delay in shipments to the army in France. The Democratic Congress fixed the maximum price of Northern wheat, but left cotton to soar to five times the pre-war price, with the Government the principal purchaser to make gun cotton for the munitions that took billions from the pockets of the North, but never arrived at the firing line.

IF COX SHOULD BE ELECTED

The war and the Democratic conduct of that war with the Democratic tax legislation, have together restored the South and made it the most prosperous part of the Union, and at the expense of the North which paid the taxes.

One great issue in this campaign is the continuance of this unequal taxation. For this unequal taxation will be continued if another Democratic President and a Democratic Congress be elected in November. The Hon. James M. Cox if elected as the next President would cease at once to represent the taxpayers of Ohio and would represent the South.

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